STATE OF ARIZONA FILED

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STATE OF ARIZONA

DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE

In the Matter of the Withdrawal of:) Docket No. 96A-027-INS

COLUMBIA LIFE INSURANCE)

COMPANY (NAIC No. 62740))

ORDER

Petitioner.

On March 28, 1996, the Office of Administrative
Hearings, through Administrative Law Judge Lewis D. Kowal
submitted "Recommended Findings of Fact, Conclusions of Law and
Recommended Order Authorizing Withdrawal of Insurer from the
Insurance Business and for a Release of Statutory Deposit", a
copy of which is attached and incorporated by this reference.
The Director of the Arizona Department of Insurance has reviewed
the recommendation, and enters the following order:

- 1. The recommended findings of fact and conclusions of law are adopted.
- 2. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
- 3. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of examination expenses, if due; (b) a copy of its Articles of

Amendment certified as filed by the Arizona Corporation

Commission; and (c) a fully executed Form E126 (Notice of Trust

Deposit Release). The statutory deposit cannot be released until

the Department receives a fully executed copy of the official

State Treasurer Release Receipt.

- 4. The sum of \$100.00 previously credited to the IERF shall be refunded to the Petitioner, pursuant to A.R.S. \$20-159.
- 5. The Petitioner will file its 1995 Annual Statement with the Department, together with all applicable fees, and a certified copy of the Articles of Amendment having a stamped file date of March 31, 1996 or a prior date of filing with the Arizona Corporation Commission, or the Fetitioner will be responsible for any certificate of authority renewal fee.
- 6. The Petitioner will file its 1996 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Articles of Amendment with the Arizona Corporation Commission on or before December 31, 1996.

NOTIFICATION OF RIGHTS

The aggrieved party may request a rehearing with respect to this Order by filing a written petition with the Office of Administrative Hearings within 30 days of the date of this Order, setting forth the basis for such relief pursuant to A.A.C. R20-6-114(B).

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The final decision of the Director may be appealed to the Superior Court of Maricopa County for judicial review pursuant to A.R.S. §20-166.

EFFECTIVE this 29th day of March, 1996

Director of Insurance

A copy of the foregoing mailed this 29th day of March, 1996

Charles R. Cohen, Deputy Director Gregory Y. Harris, Executive Assistant Director Mary Butterfield, Assistant Director Catherine O'Neil, Assistant Director Gary Torticill, Assistant Director Deloris Williamson, Assistant Director Nancy Howse, Chief Deputy Director Scott Greenberg, Business Administrator Barbara Lewis, Manager Compliance Section Kelly Stephens, Assistant Deputy Director Brian Stephan, Tax Unit Supervisor Cary Cook, Solvency Support United Supervisor Kurt Regner, Examiner Department of Insurance 2910 N. 44th St., Suite 210 Phoenix, AZ 85018

Werner J. Meyer Ryley, Carlock & Applewhite 101 N. First Ave., Suite 2700 Phoenix, AZ 85003-2973

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

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RECOMMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDED ORDER AUTHORIZING WITHDRAWAL OF INSURER FROM THE INSURANCE BUSINESS AND FOR A RELEASE OF STATUTORY DEPOSIT

Petitioner.

In the Matter of the Withdrawal of

COLUMBIA LIFE INSURANCE

COMPANY (NAIC No. 62740),

On March 25, 1996, a hearing took place at the Arizona Department of Insurance (the "Department"), 2910 North 44th Street, Phoenix, Arizona, to consider the application of Columbia Life Insurance Company (the "Petitioner"), NAIC No. 62740, to withdraw from the insurance business and for the release of its statutory deposit pursuant to A.R.S. §20-588 and A.A.C. R20-6-303.

Based upon the entire record in this matter, including all pleadings, motions, testimony and exhibits admitted during the hearing of this matter, Administrative Law Judge Lewis D. Kowal has prepared the following Recommended Findings of Fact, Conclusions of Law and Proposed Order for consideration and approval by the

FINDINGS OF FACT AND CONCLUSIONS OF LAW

- The Petitioner has surrendered its Certificate of Authority to the 1. Department.
- 2. The Petitioner has filed with the Department certified copies of Resolutions of the Petitioner's Board of Directors and of the Petitioner's sole. shareholder to withdraw from the insurance business, to amend its articles of incorporation to eliminate its insuring powers, and to adopt a new corporate name which shall not include the word "insurance".
- The Petitioner has no insurance obligations owing to it, whether by 3. policies written direct or by reinsurance ceded to it.
- The Petitioner has filed its certified financial statement as of January 1, 4 1996 with the Department.

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- 5. At least ten business days before the hearing of this matter, Petitioner gave special notice to creditors and policyholders of the Petitioner, setting forth the date, place, nature and purpose of the hearing, as evidenced by the affidavit of publication. Petitioner also provided individual notice by mail to its known creditors, as evidenced by an affidavit.
- 6. The Petitioner has a \$100,000.00 statutory deposit with the Department and a \$100.00 deposit with the Insurance Examiners' Revolving Fund ("IERF").
- 7. The Petitioner has complied with the provisions of A.R.S. §20-588 and with A.A.C. R20-6-303, relating to the release of its \$100,000.00 statutory deposit.
- 8. The Petitioner may have incurred examination expenses as a result of this withdrawal.

RECOMMENDED ORDER

The undersigned Administrative Law Judge recommends that:

- 1. The Petitioner may file its Articles of Amendment to its Articles of Incorporation ("Articles of Amendment") with the Arizona Corporation Commission.
- 2. The Petitioner is entitled to the release of its statutory deposit in the sum of \$100,000.00 and Petitioner's statutory deposit shall be released to the Petitioner after the Department has received the following: (a) payment of examination expenses, if due; (b) a copy of its Articles of Amendment certified as filed by the Arizona Corporation Commission; and (d) a fully executed Form E126 (Notice of Trust Deposit Release). The statutory deposit cannot be released until the Department receives a fully executed copy of the official State Treasurer Release Receipt.
- 3. The sum of \$100.00 previously credited to the IERF shall be refunded to the Petitioner, pursuant to A.R.S. §20-159.
- 4. The Petitioner file its 1995 Annual Statement with the Department, together with all applicable fees, and a certified copy of the Articles of Amendment having a stamped file date of March 31, 1996 or a prior date of filing with the Arizona Corporation Commission, or the Petitioner will be responsible for any certificate of authority renewal fee.

Office of Administrative Hearings 1700 West Washington, Suite 244 Phoenix, Arizona 85007 (602)-542-9826

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5. The Petitioner file its 1996 Annual Statement with the Department, together with all applicable fees, unless Petitioner files its Articles of Amendment with the Arizona Corporation Commission on or before December 31, 1996.

DATED this 27th day of March, 1996.

OFFICE OF ADMINISTRATIVE HEARINGS

Tens V. Kowa

Administrative Law Judge

COPY of the foregoing mailed/delivered this プロム day of March, 1996, to:

Chris Herstam, Director Arizona Department of Insurance 2910 North 44th Street, Suite 210 Phoenix, AZ 85018

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Lewis D. Kowal